

RETENTION DATE: September 30, 1998

TO: HEADS OF GOVERNMENT DEPARTMENTS, AGENCIES, AND OTHERS CONCERNED

SUBJECT: Federal Agencies' Centralized Trial-Balance System (FACTS) Data Verification

1. PURPOSE

This bulletin revises I TFM 2-4000: Federal Agencies' Centralized Trial-Balance System (FACTS). It specifically deletes and replaces I TFM 2-4050.

2. CLARIFICATION OF I TFM 2-4050

This section issues specific guidance on the data verification process required to verify the consistency of the FACTS data against the agency's departmentwide audited financial statements submitted to the Office of Management and Budget (OMB).

Section 4050 - Data Verification

The Chief Financial Officer (CFO) and the Inspector General (IG) of the 24 executive departments and agencies listed below are required to verify and provide information regarding the consistency of the FACTS data against the agency's departmentwide audited financial statements submitted to the Office of Management and Budget (OMB).

Agencies are required to verify the FACTS data at the **departmental level** by utilizing the FACTS Data Verification application that has been established on the Internet. CFOs are required to provide a verification response to the Financial Management Service (FMS) via the Internet no later than **March 2, 1998**. Agencies' CFOs are required to verify the summarized FACTS data and submit a response to FMS regardless of their agencies' status in the completion of the financial statements audit for OMB submission. Additionally, if the audit is not complete by March 2, 1998, CFOs should separately verify the summarized FACTS data after audit adjustments have been submitted, using the FACTS Data Verification application.

For fiscal year 1997, FMS will fax and mail to agencies the following reports at the departmental level to facilitate data verification: an Adjusted Trial-Balance Report (ATB), a Statement of Financial Position, a Statement of Operations, and selected data from the NOTES report. CFOs are responsible for conducting a verification of the summarized FACTS data to supporting documents as described below:

a. Compare FMS generated Statement of Financial Position and Statement of Operations line items, except intra-departmental balances, to agency financial statements.

b. Compare intra-departmental balances on the ATB to all intra-departmental balances eliminated in agency financial statements.

c. Compare selected data from the NOTES report to footnote disclosure in (agency) financial statements or, if not disclosed in agency footnotes, to supporting data.

d. Determine that the agency's Statement of Financial Position and Statement of Operations do not contain any account balances not included on the summarized FACTS data.

After completion of the above, the CFO will use the FACTS Data Verification application to indicate whether the information presented in the summarized FACTS data provided by FMS is consistent in all material respects with the agency's audited financial statements submitted to OMB. Agency officials must contact the FACTS Administrator, Financial Reports Branch, for pre-authorization when adjustments to the original ATB are required. The procedures for adjustments will be determined by FMS based on the date and the material effect at the government-wide level.

Agency IGs will follow similar procedures as described in OMB guidance concerning FACTS Data Verification and will provide a separate response to FMS using the FACTS Data Verification application no later than **March 2, 1998**. IGs should not submit responses to FMS until **after** the agency's financial statements audit is completed.

If, in their verifications, either the CFO indicates that the data are "not consistent" with the departmentwide audited financial statements submitted to OMB, or the IG indicates that material differences were found, they must submit a letter to FMS by **March 6, 1998**, which provides an explanation for the discrepancies and provides supporting documentation.

Agencies that cannot access the FACTS Data Verification application on the Internet must contact FMS, Financial Reports Branch, by February 1, 1998. CFOs may use the letter at Attachment 1 to submit information to FMS which is consistent with the above requirements using the same due dates. IGs must follow the procedures as directed by OMB.

By January 15, 1998, the FACTS Administrator will notify the verifying officials of the web site address of the FACTS Data Verification application, as well as, issue names (user IDs) and passwords to each CFO and IG. Agencies are responsible for ensuring that they have secured the web site address, user IDs, and passwords used to conduct FACTS Data Verification.

Agencies Required to Perform FACTS Data Verification

Department of Agriculture	Department of Commerce
Department of Defense	Department of Education
Department of Energy	Department of Health and Human Services
Department of Interior	Department of Housing and Urban Development
Department of Justice	Department of Labor
Department of State	Department of Transportation
Department of the Treasury	Department of Veterans Affairs
Environmental Protection Agency	Agency for International Development
General Services Administration	Federal Emergency Management Agency
National Science Foundation	National Aeronautics and Space Administration
Office of Personnel Management	Small Business Administration
Social Security Administration	U.S. Nuclear Regulatory Commission

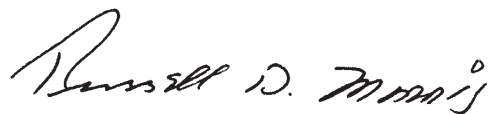
3. EFFECTIVE DATE

October 1, 1997.

4. INQUIRIES

All inquiries concerning this bulletin should be directed to:

FACTS Administrator
Financial Reports Branch
Financial Management Service
3700 East-West Highway, Room 509B
Hyattsville, MD 20782
Telephone: 202-874-9910/202-874-9874
Fax: 202-874-9907

A handwritten signature in black ink that reads "Russell D. Morris". The signature is written in a cursive style with a large, stylized 'R' and a small 'D'.

Date: October 8, 1997

Russell D. Morris
Commissioner

Attachment

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM (FACTS)
DATA VERIFICATION
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1997

We have reviewed all of the FACTS Adjusted Trial-Balances (ATBs) and associated NOTES reports for the

(agency name)

which were transmitted to the Financial Management Service (FMS) for the fiscal year ending September 30, 1997.

_____ The **information** presented in the ATBs and NOTES reports **is consistent in all material respects** with the agency's audited financial statements submitted to the Office of Management and Budget(OMB).

_____ The **information** presented in the ATBs and NOTES reports **is not consistent in all material respects** with the agency's audited financial statements submitted to OMB. A list of ATBs (by Department ID, Bureau ID, and the Fund Group) along with the NOTES (by Department ID and Business Line ID), and an explanation of the differences signed by the agency's verifying officials will be provided to FMS no later than **March 6, 1998**.

Chief Financial Officer

Date

Please send this form and any explanations for inconsistent data to:

MANAGER, Financial Reports Branch
Financial Management Service
3700 East-West Highway, Room 509B
Hyattsville, Maryland 20782

Telefax # 202-874-9907